

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

HEARINGS UNIT

Fax: (360) 664-2782

2004 OCT 22 P 12:39

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Wendy Galloway, Hearings Unit, DIC
Administrative Assistant
(360) 725-7002
wendyg@oic.wa.gov

In the Matter of:

**PROGRESSIVE NORTHWESTERN
INSURANCE CO.,**

Insurers.

)
) NO. G2004-73
)
) NOTICE OF HEARING ON
) APPLICATION FOR
) REDOMESTICATION
)

TO: John Andrew Barbagallo, Director
Progressive Northwestern Insurance Company
625 Alpha Drive
Highland Heights, Ohio 44143

Mike Yuth, Assistant General Counsel
Progressive Northwestern Corporate Law Department
6300 Wilson Mills Road, N72
Mayfield Village, Ohio 44143

Karen Kosuda, Compliance Manager I
Progressive Corporate Law Department
6300 Wilson Mills Road, N72,
Mayfield Village, Ohio 44143

Melvin N. Sorensen, Attorney
Carney Badley Spellman, P.S.
700 Fifth Avenue, #5800
Seattle, Washington 98104-5017

AND TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
Jim Odiorne, Deputy Commissioner, Company Supervision
Marshall McGinnis, Manager, Company Licensing Manager
John F. Hamje, Staff Attorney, Legal Affairs Division
Post Office Box 40255
Olympia, Washington 98504-0255

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

On August 24, 2004, Progressive Northwestern Insurance Company filed an Application for Redomestication with the Office of the Insurance Commissioner (Commissioner), and on September 10, 2004, the undersigned received and filed a request for hearing from the Commissioner relative to this Application for Redomestication.

Pursuant to RCW 48.07.210(2), Progressive Northwestern seeks the approval of the Commissioner to transfer its corporate domicile from the state of Washington to the state of Ohio.

The redomestication of Progressive Northwestern Insurance Company is controlled by Title 48 RCW and, specifically, RCW 48.07.210(2). Pursuant to RCW 48.07.210(2), after providing thirty days advance written notice of its plan to the Commissioner and upon the written approval of the Commissioner in advance of the proposed transfer date, any domestic insurer of this state may transfer its domicile to any other state in which it is admitted to transact the business of insurance. As further provided in RCW 48.07.210(2), *[t]he commissioner shall approve any proposed transfer of domicile unless the commissioner determines after a hearing, pursuant to such notice as the commissioner may require, that the transfer is not in the best interests of the public or the insurer's policyholders in this state.* Finally, pursuant to RCW 48.07.210(2), upon transfer of domicile, the insurer ceases to be a domestic insurer of this state and, if otherwise qualified under the laws of this state, the Commissioner shall admit the insurer to do business in this state as a foreign insurer.

Accordingly, **YOU ARE HEREBY NOTIFIED that a hearing will be held commencing on Monday, December 6, 2004 at 10:00 a.m., Pacific Standard Time, in the Office of Insurance Commissioner, 5000 Capitol Blvd., Tumwater, Washington 98501.** Pursuant to the authority given to the undersigned, the undersigned will hear and determine this matter and will enter the final order herein. The purpose of this hearing, which will include all parties, is to consider the Application for Redomestication of Progressive Northwestern Insurance Company. Pursuant to RCW 48.07.210(2), approval of these applications are conditioned, in part, upon a finding by the undersigned, based upon evidence presented by testimony and documents at the hearing, that there has been reasonable notice given, and that the redomestication is in the best interest of the public and Progressive Northwestern Insurance Company's policyholders. The Commissioner will be represented by John F. Hamje, Staff Attorney for the Office of the Insurance Commissioner, whose address is Office of the Insurance Commissioner, Legal Affairs, P.O. Box 40255, Olympia, Washington 98504-0255 and whose telephone number is (360) 725-7046. Progressive Northwestern Insurance Company will be represented by Mike Yuth, Assistant General Counsel, whose address is 6300 Wilson Mills Road, N72, Mayfield Village, Ohio 44143 and whose telephone number is (440) 395-3771, and by local counsel Melvin N. Sorenson, Attorney at Law, whose address is 700 Fifth Avenue, #5800, Seattle, Washington 98104-5017 and whose telephone number is (206) 622-8020.

Please note that any interested individual or entity may indicate his/her or its support, or objection, to this proposed redomestication by submitting a letter to the undersigned at the above address by U.S. mail or by fax to the undersigned at (360) 664-2782 on or before 10:00 a.m. Pacific Standard Time on December 6, 2004 to the undersigned at the

above address. Interested individuals and entities may include in their letters a request to be included in the hearing by telephone or in person in order to present their positions orally.

The hearing will be held under the authority granted by the Commissioner by Chapter 48.04 RCW and RCW 48.07.210. As above, RCW 48.07.210 indicates the findings which must be made before approval will be given to this proposed redomestication.

The basic facts relied upon are those set forth in the Application for Redomestication of Progressive Northwestern Insurance Company, with attachments, which has been filed with the Commissioner. The Application, with attachments, will be made part of the record of this proceeding. The Commissioner has not taken, and will not take, any position on this matter prior to entry of the hearing order.

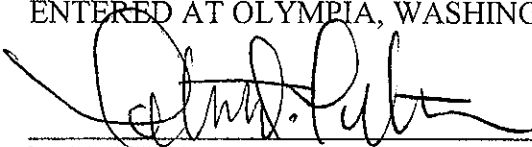
The hearing will be governed by the Administrative Procedure Act, Chapter 34.05 RCW, and the model rules of procedure contained in Chapter 10-08 WAC. All parties may be represented at the hearing. They may examine witnesses and fully respond and present evidence and argument on all issues involved.

As required by RCW 34.05.434(2)(i), you are advised that a party who fails to attend or participate in any stage of the proceeding may be held in default in accordance with Chapter 34.05 RCW.

Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42 RCW, if a limited English speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42 RCW. A Request for Interpreter form is attached to the original of this Notice, with instructions thereon.

Patricia D. Petersen, Presiding Officer, who serves as Chief Hearing Officer for the Office of the Insurance Commissioner, has been designated to hear and determine this matter. Her address is Office of Insurance Commissioner, P.O. Box 40255, Olympia, Washington 98504-0255. Her telephone number is (360) 725-7105. All interested individuals and entities who have questions or concerns concerning this proceeding should direct them to her Administrative Assistant, Wendy Galloway, at the same address. Ms. Galloway's telephone number is (360) 725-7002.

ENTERED AT OLYMPIA, WASHINGTON this 22nd day of October, 2004.



PATRICIA D. PETERSEN
Chief Hearing Officer
Presiding Officer